

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) As per the Resolution relating to Quota and Voice Reform in the International Monetary Fund (IMF) adopted on September 18, 2006, it was decided for a modest *ad hoc* increase in the quota, and therefore voting power, of four countries, namely, China, Turkey, South Korea and Mexico (but not Argentina). As a result of such increase in voting power of these four countries, the voting power of all the remaining countries, including India, has decreased relatively, though marginally.

(c) and (d) This issue was taken up by International Monetary Fund in September, 2006 through a Resolution. India was among the twenty-three (23) countries that voted against the said resolution. However, the members representing 90.6 per cent of the total voting strength voted in favour of the resolution. The resolution was adopted because under the IMF's Article of Agreement, 85 per cent or more of the voting strength of the IMF is required to vote in favour of such resolution for its adoption.

Ban on FIIs to work with companies involved in security scam

2916. SHRI AMAR SINGH:
SHRI ABU ASIM AZMI:

Will the Minister of FINANCE be pleased to state:

(a) whether Government have forbidden Foreign Institutional Investors to have any working association with the companies involved in the last Security Scam;

(b) whether Government are aware that some of the FIIs such as Credit Suisse First Boston (CSFB) are still doing business with those companies; and

(c) if so, what action has been taken against such FIIs and DBIs?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) SEBI does not forbid any entity from having any working association with other companies. However, where any Foreign Institutional Investor or any other market participant conducts itself in a manner not consistent with law, SEBI could direct such entity not to buy, sell or deal in securities in the market directly or indirectly.

(b) and (c) At present, three Foreign Institutional Investors of Credit Suisse Group are registered with SEBI and can trade in the market.

Banking facilities through mobile banks in rural areas

2917. MS. PRAMILA BOHIDAR:

SHRI B.J. PANDA:

Will the Minister of FINANCE be pleased to state:

(a) whether the Central Government propose to provide banking facilities in rural areas through mobile banks in the country; and

(b) if so, the details thereof indicating the areas which are proposed to be covered in Orissa under the above project?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) The Reserve Bank of India (RBI) has reported that under the extant Branch Authorisation Policy, banks are encouraged to open branches in rural and under-banked areas. It is left to the banks to decide whether they want to open branches or mobile offices. RBI, while considering applications for opening branches gives weightage to the nature and scope of banking facilities provided by banks to common persons, particularly in rural and under-banked areas. The choice of the location of the branch and the nature of services offered is left to the discretion of the banks. RBI has not received any proposals from banks for opening of mobile offices in the State of Orissa.

New branches of UCBs in Uttaranchal

2918. SHRI RAJ NATH SINGH:

SHRI KAMALAKHTAR:

Will the Minister of FINANCE be pleased to state:

(a) whether RBI's Working Group on Improvement of Banking Services in Uttaranchal have recommended that Urban Co-operative Banks presently in satisfactory financial health be permitted to expand their areas of operations in the State through more branches, permitted opening currency chests, conduct foreign exchange business and be made members of various fora (SLBC, DCC, etc.) under the Lead Bank Scheme;

(b) whether the RBI has examined and accepted these recommendations;